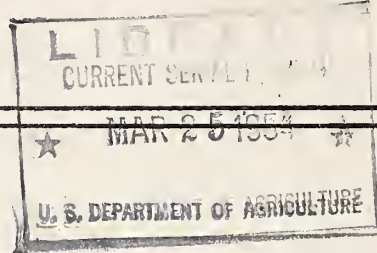


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Foreign CROPS AND MARKETS



VOLUME 68

NUMBER 12

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FOR RELEASE

MONDAY

MARCH 22, 1954

(With exception of article on British Purchase of U. S. Fruit, on Page 210, which is releasable immediately).

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

(This article for
immediate release)

SALE OF U. S. FRUIT

TO BRITAIN

The Foreign Operations Administration has announced issuance of procurement authorizations totaling \$5 million under which the United Kingdom intends to buy fruit from the United States during the next several months. The authorization follows a joint proposal made last December by the U.S. Department of Agriculture and FOA to promote the sale of United States fruit to the British.

The British Government has indicated that about \$1 million will be spent for grapefruit, both fresh and canned; \$1.5 million will be spent for oranges, and \$2.5 million for canned cling peaches and apricots. The purchases will be in addition to previous British purchases of 1953-crop United States fruit. British purchases of prunes are taking place under an arrangement made last November. Raisins were purchased by the British Ministry of Food and December with dollar exchange.

The fresh citrus fruit and the canned grapefruit segments will be bought by private importers in the United Kingdom from private trade in the United States. Since Britain has not entirely decontrolled Government purchasing operations established in 1939, the canned cling peaches and apricots will be purchased by the Ministry of Food from private trade in the United States.

The fresh oranges, fresh grapefruit and canned grapefruit segments must be purchased in this country prior to September 30, and in the case of the canned peaches and apricots prior to July 31.

(Continued on Page 237)

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U.S. needing the information it contains.

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PAKISTAN'S COTTON EXPORTS LAGGING

Exports of cotton from Pakistan during August-December 1953 totaled 398,000 bales (of 500 pounds gross), compared with 406,000 during a similar period a year ago, according to H. W. Spielman, Agricultural Attache, American Embassy, Karachi. The export movement was heavy in the first 3 months of the current season but dropped below last year's level in November and December. The decline in export business is attributed to a sharp rise in prices which in turn were stimulated by heavy local mill purchases and speculation.

PAKISTAN: Exports of cotton by countries of destination;
annual 1949-52; August-December 1952 and 1953

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1				August-December	
	1949	1950	1951	1952	1952	1953
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Belgium.....	7.5	6.5	.2	26.5	3.1	5.6
Czechoslovakia.....	17.5	7.1	10.5	0	0	0
France.....	102.8	75.5	59.8	80.3	31.1	38.6
Germany.....	28.6	38.1	26.3	89.0	27.7	11.0
Italy.....	35.7	59.8	58.6	52.1	5.9	27.7
Netherlands.....	11.9	8.0	.8	8.8	2.1	1.2
Poland.....	26.5	33.8	52.2	0	0	0
Spain.....	23.0	44.0	18.8	47.6	8.3	4.8
Sweden.....	2.0	15.0	.3	15.4	3.6	3.8
United Kingdom.....	50.6	102.2	67.1	102.7	3.2	38.8
Yugoslavia.....	21.5	.8	0	0	0	0
Australia.....	20.1	50.6	7.9	26.1	8.9	10.7
French India.....	29.3	21.4	6.5	9.9	3.6	9.0
Hong Kong.....	196.7	119.4	66.1	100.7	30.3	53.0
China.....	39.2	108.7	300.9	96.9	73.7	23.7
India.....	1.9	.3	.3	0	0	0
Japan.....	123.2	280.9	234.1	517.4	152.7	153.5
United States.....	2.8	3.0	.3	9.0	2.4	1.0
Soviet Union.....	86.3	0	0	63.1	46.3	0
Other countries.....	26.9	33.9	8.0	27.5	2.9	15.7
Total.....	854.0	1,039.0	918.7	1,273.0	405.8	398.1

Source: Government of Pakistan-Ministry of Commerce and Education and Foreign Service reports.

Prices of 289F Sind, 5G, Fine grade, an American Upland variety, rose from a level of 30.00 U.S. cents a pound (including an export tax of 6.93 cents) at Karachi during the last half of October 1953 to 36.26 cents on January 21, 1954, to 39.74 cents on March 11. Comparable increases (around 10 or 11 cents a pound) were reported in prices of other Upland varieties grown in Pakistan, while prices of similar cotton in the United States have increased only about 1.5 cents to around 34.00 cents on March 11.

Prices of Asiatic short-staple varieties have increased about 8 U.S. cents a pound during the period mentioned above. The quotation for Sind Desi, Fine, at Karachi on March 11, 1954, was equivalent to 34.33 U.S. cents (including a tax of 4.63 cents) and Punjab Desi, Fine, was equivalent to 33.23 cents.

The last available production estimate of 1,265,000 bales for 1953-54 has not been changed. This estimate includes 37,000 bales of Sind Desi and 45,000 bales of Punjab Desi in addition to quantities of these two varieties used in cottage industries that do not enter commercial channels. The amount of Desi cotton available for export in 1953-54 is estimated at only 80,000 to 85,000 bales. About 53,000 bales of the total have been exported or sold and awaiting shipment as of February 1, 1954. The ban on exports of Bengals from India has turned additional buyers to Pakistan's supply of this type of cotton.

Stocks of cotton in Karachi on February 11, 1954, were estimated by the Karachi Cotton Association at 383,000 bales (500 pounds each), compared with 551,000 a year ago.

Mill consumption in 1953-54 is forecast by an official source at 440,000 bales but this figure is considered by other sources as too optimistic. The number of spindles in operation on December 31, 1953, was reported at 724,000 out of the 793,000 installed in 68 mills. The ultimate goal planned by the government is 2,000,000 spindles. In 1952-53 mill consumption was reported at 205,000 bales and consumption in cottage industries at 40,000 bales. Rapid expansion of the cotton mill industry has been under way for about 2 years with government financial aid and planning.

ECONOMIC IMPROVEMENT IN GREECE

According to the Neue Zurcher Zeitung of February 7, signs are mounting that the 50 percent devaluation of the Greek currency about a year ago has greatly improved the country's position and chances for further economic progress and independence.

Devaluation was particularly effective because it corrected the currency over-valuation at the right moment - stimulating the competitiveness of agricultural products and coinciding with the decline of raw material prices on the world market. Devaluation has corrected the international economic imbalance of the country to such an extent that import restrictions have been largely abolished. Greek export products became more competitive on the world market and liberalization did not lead to a disastrous increase in the demand for foreign exchange by importers. In fact, foreign exchange required in the second half of 1953 was only about 12 percent above the corresponding period in 1952. On the other hand, there was a 30 percent increase in the earnings of foreign exchange through exports.

Greece's hope to achieve complete economic balance with the rest of the world in the foreseeable future has lead to a reappraisal of the Government's investment program. Hydro-power and other natural resources are to be increasingly exploited. Much of this development program is to be financed from domestic savings, but foreign capital will also be needed. Significant of the great improvement in Greece's economic position is the fact that France, Germany, and Italy have declared themselves prepared to make available 15, 50, and 25 million dollars, respectively, to finance new industries and power stations; the International Bank for Reconstruction and Development has also agreed to grant Greece a loan of 25 million dollars.

Private investment abroad, which the United States is encouraging as generally preferable to direct aid programs, may be expected to help United States export trade, including exports of agricultural products. In this connection it is significant that in order to encourage private foreign investors, Greece has passed a law for the protection of foreign investments. The Commission on Foreign Economic Policy (the Randall Commission) seemed to refer to this type of measure when it stated that "countries desiring to attract capital must provide a secure legal status for private capital and enterprise, domestic as well as foreign."

MEXICO'S CANDELILLA WAX EXPORTS DOWN SHARPLY

Mexico's exports of candelilla wax totaled only 354 short tons in 1953, as compared with 5,245 tons in 1952 and 2,827 tons in 1951, reports Paul G. Minneman, Agricultural Counselor, American Embassy, Mexico City. Large quantities of candelilla wax moved to New Jersey warehouses in 1952, but the prohibition against harvesting wax in 1953 sharply reduced production and, subsequently, quantities available for export.

The Diario Oficial of February 27, 1954, published a decree continuing the prohibition against harvesting candelilla wax until September 30, 1955. An exception was made to allow members of ejidos in certain Mexican States, who lack other income and who suffer because of the drought, to harvest the wax as an emergency relief measure.

The Diario Oficial of February 22, 1954, announced a rebate of 75 percent of the specific duty on the export of candelilla wax during the year 1954. The rebate or reduction in the export tax will be applicable only to groups of producers specifically authorized by the Mexican Secretary of Economy to produce wax and only if the wax is exported through the Banco Nacional de Comercio Exterior.

U.S. IMPORTS OF TUNG OIL DROP SLIGHTLY

United States imports of tung oil amounted to 11,743 tons in 1953-- the smallest since 1944. Purchases were down somewhat from the previous 2 years and represented roughly one-fifth the volume taken in 1950, the last year of large purchases from China.

Argentina has been the major source of tung oil since 1951, or since shipments from China were embargoed in December 1950. Imports from the Argentine in 1953 amounted to 10,471 tons or almost 90 percent of the total. Most of the remainder came from Paraguay.

UNITED STATES: Tung oil imports by country of origin, 1953 with comparisons

(Short tons)

Country of origin	Average : 1935-39	1950	1951	1952 1/	1953 1/
SOUTH AMERICA:					
Argentina.....	-	9,306	7,199	11,596	10,471
Brazil.....	1	571	352	956	-
Paraguay.....	-	302	861	2,147	1,023
Total.....	1	10,179	8,412	14,699	11,499
ASIA:					
China.....	56,609	44,114	5,590	4	-
Hong Kong.....	4,725	1,949	851	-	-
Other.....	134	-	-	30	109
Total.....	61,468	46,063	6,441	34	109
OTHER.....	126	-	2/	201	135
Grand total.....	61,595	56,242	14,853	14,934	11,743

1/ Preliminary. 2/ Less than .5 ton.

Source: Bureau of the Census.

U.S. FISH OIL EXPORTS AT RECORD HIGH

United States exports of fish oil in 1953 totaled 54,233 short tons, more than twice the quantity exported in the preceding year, and 43 percent above the previous record exportation in 1950. About 94 percent of the total was sold to Europe with the largest single volume--36,155 tons going to Western Germany. The large export to Western Germany last year was responsible for the overall increase, as shipments to that country in 1952 were only 6,232 tons. The Netherlands, Switzerland, Canada, and Norway also took significant quantities.

UNITED STATES: Fish oil exports by country of destination,
1953 with comparisons

(Short tons)

Country of destination	Average : 1935-39	1950	1951	1952 1/	1953 1/
NORTH AMERICA:					
British West Indies.....	12	-	113	-	-
Canada.....	458	1,696	1,734	488	2,108
Cuba.....	155	181	71	100	87
Mexico.....	45	128	63	122	114
Other.....	59	8	5	3	1
Total.....	729	2,013	1,986	713	2,310
SOUTH AMERICA:					
	96	60	110	38	63
EUROPE:					
Belgium-Luxembourg.....	8	20	282	8	764
France.....	19	47	1,162	149	7
Western Germany.....	126	5,645	6,050	2/ 6,232	36,155
Italy.....	15	7	14	220	28
Netherlands.....	15	20,705	6,024	11,867	8,913
Norway.....	10	-	4,514	-	1,606
Switzerland.....	15	8,891	4,027	3,140	3,115
Other.....	92	34	-	43	322
Total.....	300	35,349	22,073	2/ 21,759	50,910
ASIA:					
Philippines, Republic of...	66	540	744	546	860
Other.....	24	25	7	20	37
Total.....	90	565	751	566	897
OTHER:					
	19	-	-	3	53
Grand total.....	1,234	37,987	24,920	2/ 23,079	54,233
1/ Preliminary. 2/ Revised.					

Source: Bureau of the Census.

CEYLON'S COCONUT PRODUCTION
DOWN; EXPORTS DECLINE

Ceylon's coconut industry continued to decline in 1953 as overall production is believed to have fallen by as much as 20 percent, reports the American Embassy, Colombo. Exports of copra and coconut oil decreased by 47 and 12 percent, respectively, from 1952. Only because prices were considerably above 1952 levels has total foreign exchange income for coconut products, Ceylon's third most important exports, been maintained.

(See table on following page)

CEYLON: Copra and coconut oil exports,
1953 with comparisons

(Long tons)

Country	Copra				Coconut oil			
	Average: :1935-39:	1951	1952	1/1953	Average: :1935-39:	1951	1952	1/1953
Canada.....	-	-	-	-	8,523:	1,646:	2,396:	14,884
West Indies.....	-	-	-	-	881:	-	-	-
Denmark.....	1,605:	1,851:	-	-	35:	-	-	-
France.....	354:	600:	-	-	347:	2,323:	194:	-
Western Germany.....	1,482:	50:	150:	-	1,200:	4,040:	6,850:	7,492
Greece.....	1,526:	-	-	-	120:	-	-	-
Italy.....	6,541:	1,600:	300:	-	1,724:	9,563:	19,834:	17,648
Netherlands.....	-	304:	200:	-	-	22,044:	16,073:	26,427
Sweden.....	-	50:	800:	-	3,573:	7,655:	1,820:	-
Switzerland.....	-	-	-	2/	94:	957:	267:	134
United Kingdom.....	420:	-	-	-	14,160:	29,674:	28,610:	2,787
Other Europe.....	4,573:	280:	1,804:	-	5,913:	2,821:	1,515:	3/4,074
Cyprus.....	-	-	-	-	146:	151:	228:	22
India.....	42,553:	5,678:	14,985:	18,628:	10,769:	11,328:	9,073:	8,912
Iraq.....	20:	109:	134:	134:	315:	801:	1,034:	666
Pakistan.....	-	8,471:	22,132:	2,200:	-	7,757:	11,783:	780
Israel.....	-	-	-	150:	15:	423:	278:	7
Syria.....	60:	300:	-	100:	164:	580:	197:	-
Other Asia.....	360:	52:	226:	178:	2,406:	1,509:	2,105:	4/8,335
Egypt.....	425:	-	-	-	2,433:	4,651:	3,011:	150
Union of South Africa.....	-	1:	-	-	2,597:	123:	250:	54
Other countries.....	-	-	-	-	3,608:	1,736:	1,194:	1,196
Total.....	59,927:	19,346:	40,731:	21,390:	59,013:	109,782:	106,712:	93,563

1/ Preliminary. 2/ Less than .5 long ton. 3/ All to Belgium. 4/ Includes 6,427 tons to China.

American Embassy, Colombo.

Approximately 15,000 acres of marginal coconut lands are withdrawn annually from production. Rehabilitation is expensive and slow and only an estimated 6,000 to 7,000 acres have been replanted in the past 2 years. Part of the decrease in output last year, however, was due to the prolonged drought in 1952.

Exports of coconut products during calendar year 1953 totaled 246,000 long tons copra equivalent, a decline of 14 percent from the 284,000 tons exported in 1952. Coconut oil remained the most important coconut product exported--93,568 long tons, followed by desiccated coconut--57,278 tons, copra--21,390 tons, and fresh coconuts--6,569,600 nuts (1,574 tons copra equivalent). The total value of all coconut products exported during 1953 was 246.6 million rupees (U.S. \$51.9 million) or an increase of 12 million rupees from 1952.

Principal buyers of Indonesian coconut oil in 1953 were the Netherlands, Italy, Canada, China, Germany, and the United Kingdom. China was a new customer in 1953 as there were no previous exports of coconut oil to that country from Indonesia. A decline in copra exports to Pakistan was chiefly responsible for the reduction in total exports of copra. India was the principal buyer, however, taking 87 percent of the total exports of copra. The United Kingdom was the principal purchaser of desiccated coconut, followed by Germany, Canada, the Netherlands, Australia, and Sweden.

During the first week of January 1954 coconut prices registered the highest levels recorded for the last 18 months. Copra was Rs. 230 per candy of 560 pounds (\$194 per long ton), desiccated coconut Rs. 0.55 per pound (U.S. cents 11.6), and coconut oil Rs. 1,415 per long ton (U.S. cents 13.3 per pound) on January 6. Prices steadily increased throughout January registering high prices of Rs. 240 (\$202) for copra, Rs. 0.55 (11.6 cents) for desiccated coconut, and Rs. 1,465 (13.3 cents) for coconut oil on January 27. During the first 10 days in February, however, the temporary boom prices reverted to December levels. Since then, prices have continued to decline. According to trade sources, supplies from the Philippines and Malaya have improved considerably and prices in the American market have dropped, lowering world market prices. In addition, the Indian market has also declined slightly. Because of uncertainty of future prices, prospective buyers are at present reluctant to make purchases.

U.S. OLIVE OIL IMPORTS DOWN SLIGHTLY

United States imports of edible and inedible olive oil in 1953 totaled 23,265 tons, representing a slight decline from 1952 but less than one-half the average prewar imports. Of this quantity, 22,460 tons or 97 percent was edible oil.

As in the 3 previous years, over one-half of the edible oil was purchased from Spain. Italy ranked second as a supplier with 6,645 tons, while Greece and Tunisia were the source of over 1,000 tons each. Virtually all of the inedible oil came from Portugal.

OLIVE OIL, EDIBLE AND INEDIBLE: Imports into the United States,
by country of origin, average 1935-39, annual 1950-1953

(Short tons)

Country of origin	Average : 1935-39	1950	1951	1952 <u>1/</u>	1953 <u>1/</u>
<u>Edible oil</u>					
Algeria.....	126	62	11	1	241
France.....	2,432	983	305	1,508	503
French Morocco....	3	133	-	9	141
Greece.....	2,452	29	21	16	1,534
Italy.....	15,766	12,207	5,518	7,083	6,645
Portugal.....	183	89	28	53	44
Spain.....	8,787	22,383	13,678	12,953	12,166
Syria and Lebanon..	18	88	3/	-	-
Tunisia.....	1,600	3,597	546	999	1,151
Turkey.....	-	18	60	77	15
Others.....	38	55	61	94	20
Total.....	31,405	39,644	20,228	22,793	22,460
<u>Inedible oil</u>					
Algeria.....	3,996	-	21	-	-
France.....	51	4	-	42	3
French Morocco....	37	37	44	-	-
Greece.....	5,505	50	-	-	-
Italy.....	1,868	181	-	-	-
Portugal.....	1,930	2,914	1,770	1,101	771
Spain.....	2,144	84	77	74	22
Syria and Lebanon..	134	84	-	-	-
Tunisia.....	1,975	1,028	27	4	9
Turkey.....	37	-	-	-	-
Others.....	47	-	-	-	-
Total.....	17,724	4,382	1,939	1,221	805
Total edible:					
and inedible:	49,129	44,026	22,167	24,014	23,265
<u>1/ Preliminary. 2/ Revised. 3/ Less than .5 ton.</u>					

Source: Bureau of the Census.

U.S. PALM OIL IMPORTS CONTINUE TO DECLINE

United States imports of palm oil in 1953 of 17,846 tons represented a sharp decline from the 25,623 tons of 1952 and the 50,624 tons purchased in 1950. Moreover, last year's tonnage was roughly one-tenth the average imports of prewar years.

Over 84 percent of the total came from Africa, largely the Belgian Congo. Imports from Indonesia, by far the major source of supply before the war, amounted to only 1,959 tons last year.

UNITED STATES: Palm oil imports by country of origin, 1953 with comparisons

(Short tons)

Country of origin	Average : 1935-39 :	1950 :	1951 :	1952 1/ :	1953 1/ :
NORTH AMERICA.....	2/ 1,404 :	- :	- :	- :	591 :
EUROPE.....	3/ 1,779 :	9 :	76 :	44 :	218 :
ASIA:					
Indonesia.....	119,063 :	- :	16,816 :	7,024 :	1,959 :
Malaya, Federation of.....	1,302 :	- :	- :	- :	- :
Other.....	- :	- :	491 :	- :	- :
Total.....	120,365 :	- :	17,307 :	7,024 :	1,959 :
AFRICA:					
Belgian Congo.....	20,111 :	22,145 :	31,520 :	18,425 :	14,003 :
French Africa.....	521 :	- :	- :	29 :	56 :
Liberia.....	- :	115 :	540 :	27 :	23 :
Nigeria.....	16,038 :	5,307 :	945 :	- :	956 :
Other British Africa.....	407 :	- :	- :	23 :	- :
Portuguese Africa.....	116 :	624 :	236 :	51 :	40 :
Total.....	37,193 :	28,191 :	33,241 :	18,555 :	15,078 :
Grand total.....	160,741 :	28,200 :	50,624 :	25,623 :	17,846 :
1/ Preliminary. 2/ Includes 1,403 tons from Canada. 3/ Includes 1,212 tons from the Netherlands.					

Source: Bureau of the Census.

EGYPT PERMITS RICE EXPORTS

The Government of Egypt recently announced that exports of rice would be permitted up to 75,000 metric tons for sales in hard currency. The initial tender for auction of 10,000 tons was unsuccessful.

A similar amount has been again offered for bids. Five thousand tons may be sold for U.S. dollars, or convertible Swiss francs, and 5,000 tons for sterling, or German marks.

U. S. MAINTAINS RICE
EXPORTS AT HIGH LEVEL

United States rice exports during the August-December period in the 1953-54 marketing year of 7,578,000 bags (100 pounds) were nearly up to the record of the corresponding months of the preceding year. Thus far in the marketing season (August-July) decreased shipments to Ceylon, Indonesia, Ryukyu Islands, Hong Kong, and Korea, have been offset by larger exports to Japan and to the Western Hemisphere, primarily Cuba.

RICE: United States exports to specified countries,
December 1953, with comparisons 1/

Continent and country	August-July		August-December		December	
	1951-52	1952-53	1952	1953 2/	1952	1953 2/
	1,000	1,000	1,000	1,000	1,000	1,000
	bags	bags	bags	bags	bags	bags
Western Hemisphere:						
Canada	443:	601:	322:	320:	83:	132
British Honduras	22:	3:	2:	2:	0:	0
British W. Indies	54:	81:	77:	3:	5:	1
Cuba	5,118:	4,876:	2,400:	3,080:	470:	533
Netherlands Antilles	25:	41:	19:	20:	3:	4
Venezuela	196:	86:	37:	99:	0:	3/
Other countries	38:	15:	5:	21:	1:	2
Total	5,896:	5,703:	2,862:	3,545:	562:	672
Europe:						
Belgium & Luxembourg	57:	52:	30:	138:	17:	16
Greece	209:	3/	3/	5:	0:	0
Iceland	3:	8:	2:	3/	0:	3/
Switzerland	21:	39:	23:	42:	22:	1
Other countries	1:	1:	2:	46:	1:	3/
Total	291:	100:	57:	231:	40:	17
Asia:						
Saudi Arabia	91:	139:	49:	61:	12:	8
Ceylon	741:	647:	647:	0:	0:	0
Indonesia	1,799:	1,100:	289:	0:	87:	0
Philippines	71:	3/	0:	3/	0:	0
Korea	2,821: 4/	4,631:	784:	590:	398:	60
Hong Kong	0:	179:	179:	0:	0:	0
Japan	5,430:	4,420:	2,332:	3,124:	751:	1,300
Ryukyu Islands	0:	616:	422:	0:	211:	0
Other countries	9:	4:	2:	17:	1:	12
Total	10,962:	11,736:	4,704:	3,792:	1,460:	1,380
Total Oceania	13:	19:	11:	10:	0:	1
Liberia	73:	22:	22:	0:	0:	0
Other Africa	4:	3/	3/	0:	3/	0
Total World	17,239:	17,580:	7,656:	7,578:	2,062:	2,070

1/ Milled rice, including brown, broken, screenings and brewers' rice and rough rice converted to terms of milled at 65 percent. 2/ Preliminary. 3/ Less than 500 pounds. 4/ Adjusted to include all programs of the Department of Defense and the Foreign Operations Administration.

Source: Bureau of the Census.

Rice exports to Asia in the first 5 months of the marketing year (August-December), though around 1 million bags less in the like period of 1953, were larger than to any other area. One-half of total exports went to that Continent, with 41 percent to Japan. According to known sales of rice to Japan for export in the 1953-54 (August-July) marketing year, exports are expected to exceed by more than 3 million bags the rice exports to that country during 1952-53.

Cuba, the second largest country of destination, ranked near to Japan in quantity during the period, taking 40 percent of the total. Exports to European countries increased significantly in the period, with principal exports to Belgium and Luxembourg. Increases in relatively small shipments are recorded to Netherlands, Germany, Italy, Greece, Trieste, Spain, and Austria.

THAILAND: CONCLUDES RICE CONTRACT WITH BRITISH

A new contract between Thailand and the United Kingdom was signed on January 26, covering purchases of rice in 1954 for the Federation of Malaya, Singapore, Hong Kong, Sarawak, North Borneo, Mauritius, Aden, the Seychelles and Brunei. The new contract is for 276,000 to 400,000 metric tons. Quotations for various grades are as follows with comparison for last year's prices:

Grade	:	1953	:	1954
	:	£ Sterling: Dollars	:	£ Sterling: Dollars
	:	per per	:	per per
	:	Metric ton:100 pounds	:	Metric ton:100 pounds
White rice, 5% broken.....	:	62-1-0 : 7.91	:	56-9-0 : 7.20
White rice, 10% broken.....	:	60-11-0 : 7.72	:	53-11-0 : 6.83
White rice, 15% broken.....	:	59-1-0 : 7.53	:	52-1-0 : 6.64
White rice, 20% broken.....	:	57-11-0 : 7.34	:	50-11-0 : 6.45
White rice, 25% broken.....	:	56-8-2 : 7.19	:	49-8-2 : 6.30
Bangkok # 1.....	:	1/ : 1/	:	44-17-16 : 5.72
Bangkok # 2.....	:	1/ : 1/	:	43-8-6 : 5.54
A1 Super brokens.....	:	45-14-0 : 5.83	:	35-14-0 : 4.55
A1 Special brokens.....	:	44-6-0 : 5.65	:	34-6-0 : 4.37
1/ Not available.	:		:	

(Continued on following page)

These prices are f.o.b. ocean going vessels, and include tax, duty, bags, and all other delivery expenses. Perhaps the most important phase of the contract is that either party involved may request a revision of prices quarterly. At the same time as the details of the contract were announced, the Government of Thailand issued official prices on all grades delivered ex-mill at Bangkok, with prices including internal taxes and export duty, but excluding costs of bags, as follows:

Grade	1953		1954	
	Dollars		Dollars	
	per		per	
	metric ton	100 pounds	metric ton	100 pounds
100 % 1st class.....	173.60	7.87	173.60	7.87
100% 2nd class.....	172.20	7.81	172.20	7.81
100% 3rd class.....	170.80	7.75	170.80	7.75
5% broken.....	154.70	7.02	151.98	6.89
10% broken.....	150.50	6.83	143.78	6.52
15% broken.....	146.30	6.64	139.58	6.33
20% broken.....	142.10	6.45	135.38	6.14
25% broken.....	138.90	6.30	132.18	6.00
Bangkok Special # 1.....	1/	1/	119.40	5.42
Bangkok Special # 2.....	1/	1/	115.43	5.24
A1 Super Brokens.....	108.92	4.94	93.80	4.25
A1 Special Brokens.....	105.00	4.76	89.88	4.08
1/ Not available.				

These new prices, while continuing the 3 best grades (100 percent, 1-2-3 classes) at 1953 price levels, reduced 5 percent brokens only \$2.72 a ton (12 cents per 100 pounds), while in the case of the 10-15-20- and 25-percent broken grades, the reduction amounted to the equivalent of \$6.72 per metric ton (30 cents per 100 pounds).

ASIA'S RICE IMPORT DEMAND MAY INCREASE

The following is a resume of the Asian rice situation prepared by Dexter V. Rivenburgh, rice marketing specialist, of the Foreign Agricultural Service, following his return from a rice meeting held at Manila at which principal Far Eastern rice-importing and exporting countries were represented.

Looking ahead, prospects appear good for a continuance of, or even an increase in, exports of United States rice to Asia. Increases in effective requirements of that Continent seem likely, considering the fact that the annual rise in the populations is estimated at 10 million, and that the accepted preference is for rice. This is assuming that levels of income will rise gradually.

Notwithstanding increases in indigenous rice production, a portion of increased requirements must continue to be met through imports. It is unlikely that the unusually favorable weather conditions of the last 2 seasons will be continued from year to year in the area as a whole, and as seasonal variations occur, requirements will increase.

It is quite evident that the prewar pattern of world rice trade has now completely disappeared. The principal reason for this is the break-up of 3 large colonial empires during the period covered by World War II. The British Empire included Burma as the world's largest exporter of rice, with a free movement of supplies between Burma and India. The Japanese colonies of Korea and Taiwan supplied the Japanese mainland with over 2 million tons of rice, while the French Empire drew about 1.4 million tons from Indochina. These 3 areas accounted for about five-eighths of the world trade in rice.

These colonial systems took large amounts of rice without direct competition in the rice market and without too much relation to world prices. So that while rice moved normally in a free market, over half of the trade did not enter the actual market in the usual sense in which the term "free market" is used.

In 1937, some 96 percent of the import needs of Asian rice deficit countries were supplied from Asian sources of supply. These imports averaged about 6 million tons a year with a complementary import of other cereals of only 850,000 tons. While the preference of consumers in these countries has always been predominately for rice as compared with any and all other grains, it has long been the pattern by necessity to substitute other cereals for rice when rice was scarce or available only at high prices.

The war brought political and economic changes to the countries of Asia. Rice acreage declined severely, processing facilities were lost or damaged, transport was wrecked, work stock was slaughtered and large segments of rural populations were forced to migrate to urban centers. The immediate shortage of rice from curtailed production required utilization of all cereals to maintain the production. This resulted in a major increase in the use of other cereals. Meanwhile, all countries of the world where rice is grown, both importing and exporting, placed a great deal of emphasis on increasing rice production as rapidly as possible.

But while additional supplies of rice became available in Southeast Asia and an increasing volume of exports developed from the Western Hemisphere, prices of rice continued to rise year by year so that by the end of 1952, the price factor had replaced that of an extreme rice shortage. Therefore, the necessity for the utilization of other cereal grains continued and actually increased. In 1952-53 (July-June) the imports of rice into Asia had shrunk to less than 3 million tons, while wheat had risen to 6 million and other grains to 1 million.

There were of course other factors that played a part in the new pattern of rice distribution which was developing. Some of these were (1) the development and extension of consumer rationing, (2) the creation of a monopolistic system of export and import controls by all countries vitally concerned in rice, (3) the steady rise in population of some 10 million annually, requiring about 1.2 million tons of additional cereals and finally (4) the Korean war which required a diversion of large supplies of rice from world markets.

The system of international allocations of rice following the war and lasting up to the end of 1949 had effects other than providing for equitable distribution of limited rice supplies among the deficit countries. The system tended to raise world prices and many of the exporting countries, finding themselves in a position of having their rice allocated on a continually rising market, neglected to do anything constructive in developing future markets. The "golden age" seemed at hand, with huge profits accruing to governments from the sale of rice. Perhaps the period produced the greatest sellers' market ever known.

While importing and exporting countries alike were increasing rice production, the return of world rice trade volume-wise lagged as compared with prewar patterns. In the case of the exporters, increases in their own populations were taking more and more rice each year so that the percentage of the total crop marketed was actually declining. The importing countries, on the other hand, with similar population growth, were unable to import enough rice to return even to former levels of consumption, which were never considered adequate.

The division of North and South Korea removed a million-ton export from the market, while Indochina under war conditions for 8 years could put only a couple hundred thousand tons on the market, where formerly about a million and a half had been forthcoming. The removal of Korea from the exporting field was accompanied by the entry of Japan as a new claimant in world rice markets with an annual requirement of over 1 million tons.

The United States in 1951-52 and 1952-53 was exporting a steadily rising amount of rice to Asian areas. Almost 60 percent of United States exports have been moving in this direction. High prices also attracted increased production in South America, Europe and other areas.

The years of 1952-1953 and 1953-1954 saw abnormally favorable weather conditions for rice culture throughout Asia, with the exception of the 1953 season in Japan. So that when in 1952 and 1953 rice prices were reaching their highest point in history, extremely favorable crops were coming in.

At the midpoint of 1953, consumer resistance therefore began to assert itself. Importing countries with large domestic crops and with access to other cereals at much lower prices withdrew from the market. This happened at a time when several of the large exporters had stocks of rice considerably below average quality. The stagnation of export sales, continuing throughout the last half of the year, was demoralizing to the trade. This market condition was offset in part by a 20-percent reduction in the Japanese crop and the increase of Japanese-planned imports by about a half a million tons.

Since the beginning of 1954, rice prices in Southeast Asia have readjusted downward by about \$40-\$45 a ton for the lowest quality of the export grades; and, from the contracts that have been completed thus far, there is some indication that this price level may continue through 1954. Such contracts falling approximately in this range are (1) Burma-Ceylon, 300,000 tons; (2) Burma-Japan, 300,000 tons; (3) Thailand-British territories, 276,000 to 400,000 tons. In this connection, it should be noted that these contracts usually state prices in terms of the lowest grade - which, for instance, would be about 50 pounds Sterling per long ton, or \$140 per metric ton. The actual price of individual shipments is determined by the grade taken, so that final prices will in some cases be materially higher.

The market will also be materially improved by the extent to which Burma is able to complete substantial contracts with India on old-crop as well as 1953-crop rice. These contracts may total as much as 900,000 tons. The stocks in Thailand, while higher than normal, include a large tonnage of "brokens" which will have to be worked off slowly on world markets. In both Thailand and Burma it appears that the carry-over stocks will not be the critical problem as was originally in prospect, and that the marketing of the 1953 crop during 1954 does not present an unsurmountable problem at the present time. United States commitments for shipments to Asia during the 1953-54 marketing year on March 1 were in excess of 8 million bags.

Supplies of rice available for import from non-Asian sources, excluding the United States, may gradually lessen at the newly established price levels for rice. The tendency will be for exporters to hold prices at present levels because of the complete monopolistic character of the current rice trade. Yet, prices may be subject to readjustment in order to meet competition, should prices of other grains fall appreciably. While the outlook for future rice trade appears reasonably favorable, such assumptions are based on at least a continuance of, if not an improvement in, the present political status. Should major unfavorable political developments occur, then rice and other cereals would be in high demand.

BRAZILIAN MEAT SUPPLIES

Meat supplies in Brazil are now reported to be adequate to fill domestic demand at controlled prices, whereas shortages were common in the second half of 1953. Exports last year were small. Prices of livestock and meats increased markedly during the past year.

In former years Brazil was a large exporter of beef but during 1953 imports of all meats were about equal to exports. The general rise in beef production in recent years apparently is doing no more than offsetting increases in the human population and meat supplies per person remain relatively small. Cattle slaughter is now at a seasonal peak, the movement to market is adequate for domestic use and it is believed that this year's slaughter will be larger than 1953. However, various plans are being considered for the movement of additional meat to urban consumers after May, during the usual season of low slaughter.

Last year COFAP (The government supply and price agency) shipped beef into Rio de Janeiro and retailed it at cut-rate prices from refrigerated trucks. These supplies came largely from southern packers and supplementary small imports from Uruguay. The Brazilian government has permitted foreign shipping firms to haul meat between coastal ports, but, because of delays and difficulties in loading and unloading, most ship lines do not consider this trade to be profitable. The basic causes of the previous meat shortages have been the controlled prices, the seasonality of livestock slaughter, and the difficulties in transporting livestock from producing to slaughter areas and meat from slaughter plants to the large urban centers.

Cattle growers and packers in southern Brazil look forward to the possibility of frozen beef exports in volume in future years. Consumption of meat has remained fairly constant while at the same time farmers have increased cattle numbers. There is, however, a strong attitude against exports among consumers who recall the meat shortages of the past several years and because of the rapid industrialization of the country which is increasing the demand for meat. The export market has declined substantially because of government restrictions on slaughter and export allocations and also because currency devaluation in other important exporting nations has placed Brazilian export packers at a distinct disadvantage.

The loss of the export market has brought many changes. The larger export packers, located in Rio Grande do Sul, have been forced to expand their local business. The southern packers have increased production of dried (xerque) and frozen beef for urban markets in the north. They are at a disadvantage in marketing frozen beef, which has a low consumer acceptance in the domestic market. The lack of facilities to store, transport, and distribute frozen beef is a national problem.

United States imports of beef from Brazil dipped to an unusually low level in 1953. Imports of canned product amounted to only 73,000 pounds compared with 3,127,000 a year earlier. The general decline in Brazilian exports of beef to the United States is shown below:

	<u>Average</u> <u>1935-39</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>
Canned beef.....	9,063	6,751	8,541	3,185	3,127	73
Pickled and cured beef.....	450	4	215	2,544	37	-

Cattle prices increased considerably during 1953. The average price to producers in the State of Bahia was reported to be equivalent to around 21 U.S. cents per pound in 1953, an increase of 9 percent from a year earlier. Prices to producers in Sao Paulo were 22 percent higher in 1953 than a year earlier. In February 1954 producers in Sao Paulo were unwilling to sell at the ceiling prices (equivalent to around 30 cents per pound, dressed basis) as fixed by COFAP, and packers were paying premiums amounting to 5 to 10 percent above the ceilings.

Meat prices also increased considerably during 1953. The ceiling on wholesale carcass beef in Rio de Janeiro in February was equivalent to around 25 U.S. cents per pound. Prices of tallow were extremely high. Inedible tallow for soap manufacture was actually selling at a higher price per pound than some grades of beef at wholesale.

The current high prices for pork and lard and plentiful supplies of corn are expected to result in a sharp expansion of hog production. Hog prices in Rio Grande do Sul in early 1954 were reported at the equivalent of around 23 cents per pound, 46 percent above a year earlier. Prices of live hogs or pork are not controlled by COFAP.

BRAZIL'S COTTON EXPORTS CONTINUE HEAVY

Exports of cotton from Brazil during January 1954 were estimated by private sources at about 110,000 bales (of 500 pounds gross), according to a report from A. K. Bueno and Glenn A. Ruggles, American Consulate General, Sao Paulo. Official figures available through December show an export total of 532,000 bales for August-December 1953 against only 26,000 for a similar period a year ago. Only 4,000 bales were exported in January 1953.

Hong Kong was among the principal export destinations in January. The last previous exports to Hong Kong were in 1950-51. The price of Sao Paulo, Type 5 cotton on March 11, f.o.b. Santos for export was equivalent to 34.58 U.S. cents a pound which was about 0.5 cent above the Houston price for Middling 15/16-inch on the same date. The price of new-crop Brazilian cotton (available after the middle of April) is about 1 cent under the United States price.

The area planted to cotton in South Brazil for the 1953-54 crop is estimated privately at 21 to 22 percent less than in 1952-53. The same sources expect a South Brazilian 1953-54 crop of about 930,000 bales including nearly 800,000 bales in the State of Sao Paulo. The 1952-53 South Brazil crop of 1,210,000 bales included about 1 million bales for Sao Paulo.

The 1953-54 crop in Northeast Brazil is estimated at 275,000 bales compared with 390,000 a year ago. Heavy rains in recent weeks in areas that produce tree cotton have broken a 3-year drought and may result in some increase in yields in 1954-55. It is too early for recent rains to benefit the Mata (annual) varieties in coastal areas where planting is not begun until April.

No stock figures are available from Brazil but calculations based on stocks as of August 1, 1953, estimated production, exports, and consumption indicate that the surplus available for export in 1954-55 may amount to only 1 million bales, compared with about 1.8 million a year ago and expected 1953-54 exports of about 1.2 to 1.3 million bales. Most of the old-crop stocks now on hand, however, are made up of low-grade cotton.

CONFERENCES ON U. S. COTTON TO BE HELD IN FAR EAST

Five United States cotton technologists left Washington Friday, March 19, for conferences with textile industry leaders in India and Japan where they will discuss improvements which have been developed in United States raw cotton. The team will also stop briefly in Pakistan.

The mission is sponsored jointly by the United States Department of Agriculture and the National Cotton Council.

Mission members have all had important roles in the research and development program which has resulted in tremendous improvements in United States cotton in recent decades.

They will discuss such subjects as breeding improved characteristics into cotton, ginning methods, measuring the spinning qualities of cotton, opening high density bales for better processing, cleaning mechanically harvested cotton, and controlling neps.

The mission will consist of Dean Malcolm S. Campbell, North Carolina State College's School of Textiles, Raleigh, N. C., who will serve as Chairman; Dr. Thomas Kerr, Geneticist, In Charge of Cotton Breeding, Agricultural Research Service; William J. Martin, Cotton Research Specialist Agricultural Marketing Service; R. J. Cheatham, In Charge, Cotton Processing Research, Southern Regional Research Laboratory; and Dr. Burt Johnson, Fiber Technologist, National Cotton Council.

In addition to informing Asian leaders of quality improvement in United States cotton, it is hoped that this exchange of information will further the world-wide effort of the cotton-producing countries to enhance cotton's competitive position and thus lead to increased world consumption. Members of the group will also seek to learn from the purchasers of American cotton in those areas what further improvements need to be brought about to enhance the spinning value of American cotton and to increase its use generally.

After participating as a member of this team in India and Pakistan, Dr. Kerr will proceed to various cotton breeding countries in East Africa and the Middle East to study the cotton breeding work in those areas and exchange scientific information with fellow cotton geneticists.

U.S. CASTOR OIL IMPORTS AT NEW HIGH; CASTOR BEAN IMPORTS DOWN

The United States, the world's leading importer of castor beans and castor oil, purchased a record volume of castor oil in 1953 but the smallest tonnage of castor beans since 1938. Oil imports of 63,569 tons exceeded the 1952 tonnage by 14 percent while bean imports declined from 1952 by 19 percent. In terms of bean equivalent, imports totaled an all-time high of 198,400 tons compared with 194,720 in 1952 and 173,640 in 1951.

Brazil continued to be the major source of both beans and oil, accounting for 83,760 tons, bean equivalent, or 42 percent of the total. India was a close second as a source of oil but supplied no beans to the United States last year. Paraguay, Argentina and Uruguay were among the suppliers of minor quantities of oil. Ecuador, second in importance as a source of beans in 1953, was the origin of 8,296 tons. Purchases from Africa, totaling 12,711 tons, included 4,382 tons from British East Africa, 2,807 tons from the Union of South Africa and smaller quantities from Angola, the Belgian Congo, Mozambique and Madagascar.

UNITED STATES: Castor bean imports
by country of origin, 1953 with comparisons

(Short tons)

Country of origin	Average: :1935-39:	1950	1951	1952 1/	1953 1/
NORTH AMERICA:					
El Salvador.....	-	174:	283:	168:	271
Haiti.....	133:	3,148:	5,373:	4,501:	3,645
Other.....	11:	9:	137:	122:	126
Total.....	144:	3,331:	5,793:	4,791:	4,042
SOUTH AMERICA:					
Argentina.....	269:	-	-	-	391
Brazil.....	61,456:	89,104:	50,821:	39,236:	25,041
Ecuador.....	6:	4,302:	4,307:	6,279:	8,296
Paraguay.....	-	-	565:	112:	28
Total.....	61,731:	93,406:	55,693:	45,627:	33,756
EUROPE	-	-	1:	168:	486
ASIA:					
China.....	112:	1,253:	391:	-	-
India.....	1,960:	28,026:	8,463:	5,117:	-
Other.....	2,488:	1,409:	2,826:	7,718:	6,138
Total.....	4,560:	30,688:	11,680:	12,835:	6,138
AFRICA.....	27:2/	4,744:	1,391:3/	7,070:4/	12,711
Grand total.....	66,462:	132,169:	74,558:	70,491:	57,133

1/ Preliminary. 2/ Includes 4,523 tons from Angola. 3/ 3,281 tons from Ethiopia. 4/ Includes 4,382 tons from British East Africa and 2,807 tons from the Union of South Africa.

Source: Bureau of the Census.

UNITED STATES: Castor oil imports
by country of origin, 1953 with comparisons

(Short tons)

Country of origin	Average: :1935-39:	1950	1951	1952 1/	1953 1/
NORTH AMERICA	-	9:	31:	104:	36
SOUTH AMERICA:					
Argentina.....	-	11:	104:	456:	348
Brazil.....	-	23,042:	34,838:	23,595:	26,425
Paraguay.....	-	103:	349:	378:	1,229
Peru.....	-	-	44:	167:	22
Uruguay.....	-	72:	55:	-	266
Total.....	-	23,228:	35,390:	24,596:	28,290
EUROPE.....	71:	-	2,019:	10,925:	10,643
ASIA:					
India.....	-	294:	6,985:	20,200:	23,305
Other.....	42:	95:	161:	-	376
Total.....	42:	389:	7,146:	20,200:	23,681
OTHER.....	-	-	-	78:	919
Grand total.....	113:	23,626:	44,586:	55,903:	63,569

1/ Preliminary.

Source: Bureau of the Census.

VENEZUELA STILL REQUIRES SUBSTANTIAL OILSEED IMPORTS

Venezuela, a deficit producer of vegetable oilseeds, supplements domestic output with imports, mainly copra from the Philippines and sesame seed from Nicaragua, reports James H. Kempton, Agricultural Attache, American Embassy, Caracas. Although local sesame acreage is expanding and the country may well become self-sufficient in sesame oil, there is no immediate prospect of satisfying consumer requirements from local sources of copra.

Copra is the chief source of vegetable oil in Venezuela and domestic output is estimated at 16,500 short tons. Sesame is second in importance and production for 1953-54 is estimated at 4,500 tons. Cottonseed output is small, and only about 2,600 tons are available for crushing. Some palm oil, about 550 tons, also is produced. Thus, the total production of vegetable oils from locally grown seeds is estimated at 14,400 tons, including 11,000 tons of coconut oil, 2,600 tons of sesame oil, and 250 tons of cottonseed oil.

Crushers are still obligated to purchase all local copra and sesame as a prerequisite to duty free imports of these materials. Unlike copra and sesame, local palm oil enjoys no Government protection, and is in surplus supply.

Both vegetable lard and hog lard are sold under price control in Venezuela. Importers of hog lard are permitted to charge 8 percent over their costs and retailers are permitted a mark-up of 10 percent. Hog lard is subject to an import duty of Bs. 2.00 per gross kilogram (27.3 U.S. cents per pound) with an 8 percent reduction if shipped in wooden boxes. The quantity of local lard produced is estimated roughly at 1,000 tons, and local tallow output at 1,500 tons.

Local tallow became an excess product under the former arrangement whereby purchasers of 1 unit of local tallow were entitled to import 5 units duty free. In order to alter this situation, the Government set the ratio of local to imported of 1 to 1.5 for makers of ordinary soap and of 1 to 3 for makers of fine toilet soaps.

Non-soap detergents continue to restrict the soap market and production of soap has fallen from 21,560 tons in 1948 to around 14,500 tons in 1953. The rate of decline though, has slowed, and it is believed that soap production will hold near present levels.

Principal fats, oils and oilseeds imported in 1953 (January-November only) were: copra--29,620 tons; sesame seed--15,012; industrial animal oils--160; linseed oil--619; pure olive oil--534; unspecified edible and inedible vegetable oils--1,938; tallow--560; and hog lard--700 tons.

NICARAGUA SESAME OUTPUT
DOWN, COTTONSEED UP IN 1953

Nicaragua's 1953 production of sesame and cottonseed is estimated at 5,500 and 35,000 short tons, respectively, against 14,250 and 27,500 tons in the previous year, reports Richard C. Desmond, Agricultural Attache, American Embassy, Managua. Nicaragua also produced roughly 600 tons of palm oil, 500 tons of butter, and 2,000 tons of lard last year.

The area sown in sesame in 1953--about 33,000 acres--was greatly reduced as a result of the low prices obtained for the previous crop. Production was further reduced by rains during the harvesting season. As a result of the low outturn, prices for sesame have been high this season and production in 1954 is expected to show a substantial increase. Production of cottonseed in the current season will be the highest ever obtained. Unless yields are reduced by unfavorable weather, production in the next season may be even larger.

In 1953 Nicaragua exported 13,695 tons of sesame seed (mainly to Venezuela--10,780, and the United States--2,860 tons), substantially less than the 18,875 tons exported in 1952. Cottonseed exports, however, rose to 22,082 tons as compared with 12,954 tons in 1952. Most of the cottonseed exported last year went to Japan--14,567 tons and Germany--6,711 tons. Imports of fats and oils in 1953 included 904 tons of unrefined tallow and 290 tons of unrefined lard, all from the United States.

U.K. DECONTROLS VEGETABLE
OILSEEDS AND OILS IMPORTS

The British Ministry of Food has announced that most oilseeds (except cottonseed), vegetable oils (except cottonseed oil) and cooking fats (except lard and tallow) may be imported from any source beginning June 1, 1954, although actual derationing will be effective May 8, reports the American Embassy, London. No decision has yet been taken regarding lard, cottonseed and cottonseed oil except for Section 550 purchases, but when these purchases are completed the situation will be reconsidered. Freedom to import linseed oil, flaxseed and soybeans was announced earlier. Tallow imports are now restricted from the dollar area and this is expected to continue.

Imports of United States lard under Foreign Operations Administration programs will be by private trade but the Ministry itself is now importing cottonseed oil. The Ministry may hand remaining FOA purchases of cottonseed oil to the trade later.

Most imports of the oils will be on the basis of open individual licenses which means that they can be made from any source, but that the Ministry of Food must be informed of purchases made.

As of March 1 importers have been free to import linseed oil and certain other oils without matching such purchases with equal purchases from the Ministry of Food. It will be recalled that the Ministry had instituted this system to facilitate liquidation of its stocks.

The exclusion of tallow, cottonseed, cottonseed oil and lard from this trade liberalization for the time being concerns most of the principal oils and fats exported from the United States. Soybean and linseed oil imports from the United States have been liberalized for the last few months. Thus, from the United States trades' viewpoint, the situation is largely unchanged as a result of the new action.

PHILIPPINE COPRA EXPORTS DOWN SLIGHTLY IN FEBRUARY

Exports of copra from the Philippines during February of 1954 totaled 50,050 long tons, slightly less than 50,321 tons (revised) exported in the preceding month but more than 50 percent larger than exports during February 1953. February 1954 copra exports went to the United States--16,749 tons (Pacific-12,096, Atlantic-612, Gulf-4,041); Canada--2,000; Belgium--1,000; Denmark--2,400; Germany--2,000; Italy--500; the Netherlands--17,100; Europe unspecified--5,250; and Venezuela--3,051 tons.

All of the February 1954 coconut oil exports of 4,978 tons went to the United States (Atlantic). The copra export price in mid-March was \$182.50 per short ton c.i.f. Pacific. Local buying prices in Manila were quoted at 24 to 34 pesos per 100 kilograms (\$121.93-\$172.73 per long ton).

The following revisions were reported regarding January 1954 export data: for copra--United States--22,685 tons (Pacific-16,028); Netherlands--11,750; total--50,321; for coconut oil--Atlantic--3,463; total--3,463.

INDONESIA COPRA EXPORTS UP IN FEBRUARY

Copra exports from Indonesia during February 1954 were 17,365 long tons, an increase of 17 percent from the preceding month but 7 percent less than shipments during February 1953. Destinations and quantities exported last month were: Western Germany--5,500 tons; the Netherlands--4,429; Japan--3,936; Sweden--2,000; Norway--1,000; and Italy--500 tons.

Copra Foundation purchases during February totaled 42,714 tons of which 39,565 tons originated in East Indonesia and 3,149 tons in West Borneo. Deliveries to oil mills during the month amounted to 12,327 tons. For the period March 16 to April 15, 1954, the buying price for copra was reduced to 135 rupiahs per 100 kilograms in East Indonesia and to 130 rupiahs in West Borneo, excluding packing.

WORLD 1953 RAISIN PACK ESTIMATE DOWN

The preliminary estimate of 1953 raisin production of 518,700 short tons in the 10 leading commercial producing countries is 5 percent lower than the estimated 1952 output of 545,900 tons. The current estimate exceeds the 5-year (1946-50) average of 446,100 tons by 16 percent. ^{1/}

The United States production is estimated at 223,000 tons, a decline of 23 percent from the 1952 output of 290,000 tons. Commercial production in the rest of the world, on the other hand, is estimated to have increased by 16 percent from 256,000 tons in 1952 to 296,000 tons in 1953. Australia, in 1953, the world's second largest producer, had a 38 percent greater crop than in 1952. The estimated 1953 Turkish crop was 8 percent greater than in 1952. Increases were also registered in Iran, Spain, the Union of South Africa, and Cyprus. The important Greek crop is indicated as unchanged from the previous year.

The 1954 Australian pack has been forecast, in early February, at approximately 74,000 short tons--an 18 percent smaller production than the 1953 pack of 90,600 short tons. In South Africa, a slightly lower 1954 raisin pack from a good grape crop is expected.

Exports from Australia, Turkey, Iran, Spain, and South Africa, to the beginning of 1954, are estimated at 149,000 tons, an increase of over 30 percent compared with 113,000 shipped in the same period last year. Exports from the United States, however, in the four months September-December 1953, totaled only 15,000 tons contrasted with 38,000 tons in the comparable period of the preceding year. Estimated exports from these countries combined therefore total 164,000 tons in the first quarter of the 1953-54 crop year in comparison with 151,000 tons shipped in the like quarter of 1952-53.

Estimates of total stocks remaining to date are not available for most of the 9 countries. Turkey reports about 23,200 short tons of raisins unsold at the end of 1953, Spain 6,600 tons and Iran only 275 tons. Total stocks for the 3 countries reporting their year-end stock position totals 30,075 tons, compared with more than 36,000 tons at this time last year.

While the Iranian pack was disposed of rather quickly this season, the market was slow in Turkey and Spain. In Turkey, raisin merchants were unable to make forward sales until the Government announced its new foreign trade regime in September. Once the Government decided to pay export premiums, the market improved and became increasingly more favorable by the end of the year. In Spain, the many growers in the Denia district held back from the market under the impression that prices would improve with a large expected demand from the United Kingdom for their commodity. This demand failed to materialize and the growers had to release stocks at progressively lower prices.

^{1/} All world production totals in this issue have been revised to include the dried raisin production of Cyprus. Cyprus, although a small producer, exports the major part of its output.

RAISINS: Estimated world commercial production, 1953 with comparisons

(Rounded to nearest 100 short tons)

Year	Argentina:	Australia:	Chile:	Cyprus:	Greece:	Iran:	Spain:	Turkey:	Union of:	Foreign:	World:
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	(Smyrna):	South Africa:	Total States:	Total tons
Average:											
1941-50	5,800	8,300	57,000	1,400	1/4,600	23,200	34,400	8,900	62,200	10,700	216,500
1946-50	5,700	5,600	50,300	1,000		29,200	35,800	8,900	65,600	9,700	217,000
Annual:											
1946	4,400	7,900	57,500	1,300		20,900	35,800	6,100	60,500	12,300	211,900
1947	5,000	5,900	44,400	1,000		26,400	22,000	11,300	33,000	9,500	162,300
1948	7,200	5,600	64,700	700		25,300	49,500	6,900	77,000	9,400	249,300
1949	6,300	5,800	38,600	900		34,100	22,000	9,400	82,500	8,600	214,200
1950	5,500	2,700	46,300	1,300		39,400	49,500	10,700	74,800	8,800	247,100
1951	5,000	6,500	38,100	900		29,200	54,500	12,300	63,800	8,900	224,000
1952 2/	5,000	6,800	38,700	800		38,500	49,500	10,800	71,500	8,900	255,900
1953 2/ 3/	5,000	12,600	78,000	4/800		38,500	52,800	15,000	77,000	9,700	295,700
1/ 1940-49 average.	2/	Preliminary.	3/	Revised.	4/	Office estimate.					

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, results of office research, trade and other information.

Governmental action taken during the year by Greece, Turkey and the United Kingdom had a considerable impact on the world raisin market. The devaluation of the drachma enabled Greece to sell at a lower price level early in the 1953-54 season and thus meet the bulk of continental raisin requirements at the expense of Turkey. Turkey countered with a new program of export premiums in early September which gave some, but not enough, relief to the Turkish raisin market. An increase in the premiums in late September enabled Turkish dealers to meet finally the Greek level of prices and prevented a decrease in domestic price levels.

At the same time, the United Kingdom eliminated the import controls on all dried fruits except from the dollar area on December 1, 1953. With the entrance of the United Kingdom into the market after that date, selling pressure was relieved and prices for raisins began to rise.

The market situation in the United Kingdom is now of primary importance to the world raisin market. On the demand side, a rise in consumption requirements is anticipated there in the near future. This increase is offset for the present by the large accumulated stocks of raisins in that country, a large portion of which is being released at this time by the Ministry of Food. The recent purchase of 28,000 tons of raisins from the United States will help meet the expected increase in requirements for the United Kingdom. Finally, the United Kingdom has reached agreement with Australia on the marketing of the 1954 Australian export surplus at a specified price support level guaranteed by the Ministry of Food.

Currant

The 1953 estimate of currants production in Australia, Greece and the Union of South Africa combined is now placed at 107,300 short tons, compared with 98,900 tons in 1952 and 106,600 tons (revised) in 1951. The 1953 estimate exceeds the 10-year (1941-50) average of 91,600 tons by 17 percent and the 5-year (1946-50) average of 99,800 tons by 7 percent. The Australian pack has been revised downward to 18,200 tons for 1953. The estimate for the Union of South Africa remains unchanged and no information has been received from Greece since the October report.

CURRENTS: Estimated world commercial production, 1953 with comparisons

(Rounded to nearest 100 short tons)

Year	Australia	Greece	South Africa	Total
	Short tons	Short tons	Short tons	Short tons
Average:				
1941-50	19,600	71,000	1,000	91,600
1946-50	16,300	82,400	1,100	99,800
Annual:				
1946	15,700	62,200	1,200	79,100
1947	12,800	84,500	1,000	98,300
1948	20,100	77,000	1,100	98,200
1949	18,800	99,500	1,000	119,300
1950	14,300	98,700	1,000	104,000
1951	1/ 17,600	88,000	1,000	106,600
1952	12,300	85,800	800	98,900
1953 2/	1/ 18,200	88,000	1,100	107,300

1/ Revised. 2/ Preliminary.

Source: See table on raisins.

BRITISH-U.S. FRUIT SALE -- (Continued from Page 210)

United States exporters having connections with British importers can proceed to conclude their contracts, knowing that payment can be made and that no foreign exchange question will stand in the way. Exporters in this country will receive payment in dollars under Section 550 of the Mutual Security Act which provides funds to finance the purchase of surplus agricultural commodities for sale to friendly foreign countries in return for their local currencies. The Act is administered by the Foreign Operations Administration.

The Department of Agriculture made funds available to assist the export of the fresh and canned citrus under Section 32 of the Agricultural Adjustment Act designed to widen market outlets for surplus farm commodities.

Though there is a shortage of deciduous as well as citrus fruits in the United Kingdom, the British Government is continuing absolute prohibition on the purchase of 1953-crop apples and pears from the United States. The Department of Agriculture has asked British officials to act upon the prolonged consideration that has been given possible purchase of United States apples and pears as quickly as possible so that the fruit may reach Britain at a time when the shortage of fresh fruit will be greatest, and when the fruit still is in prime condition.

Special precaution is taken in Section 550 and Section 32 sales to assure against substitution or displacement of the usual market for products of the United States or of friendly countries.

L A T E N E W S

United States cotton exports in January 1954 totaled 307,000 bales of 500 pounds gross (297,000 running bales).

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Cotton mill consumption in Canada amounted to 25,000 bales (of 500 pounds) in February, representing a small increase over the low level of 22,000 reported for January.

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By Decree No. 316 of February 4, 1954, the Colombian Government established a new price scale for domestic cotton which for the first time since the development program began resulted in a decrease, averaging about 4 percent for most grades, in the prices which mills must pay for domestically-produced cotton. The same Decree established new grades corresponding to those used in the United States.

These measures are designed to prepare the Colombian cotton industry to enter world markets as an exporter sometime within the next few years. The domestic cotton development program has been so successful that the Government confidently expects to have a small exportable surplus from the 1956 crop. Production in 1954, forecast at about 105,000 bales (500 pounds gross), is well over twice as large as the 1952 crop of 47,000 bales and more than a third larger than the record 1953 crop of 78,000 bales. Many observers feel, however, that the Government's expectations in this respect are perhaps unduly optimistic and that even if the actual level of production exceeds domestic requirements by 1956 Colombia may not be able to lower the cost of production sufficiently to compete in world markets. Even after the recent price reduction, for instance, domestic prices still average about 8 cents per pound above current United States spot prices. Nevertheless, the improvement of the past few years in both the quantity and the quality of the cotton produced has been remarkable and it is not impossible that Colombia will fulfill its expectations.

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Pakistani desi cotton has recently been in good demand with limited supplies being rapidly bought by foreign buyers, according to a report from the American Embassy in Karachi. The United States buyers have been among the principal ones.